

Message Text

SECRET

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44

ACTION SS-25

INFO OCT-01 ADP-00 /026 W

----- 116498

P 042359 Z MAY 73

FM AMEMBASSY SANTIAGO

TO SECSTATE WASHDC PRIORITY 4229

S E C R E T SECTION 1 OF 2 SANTIAGO 1946

EXDIS

E. O. 11652:

TAGS: ETEL, PFOR, PBOR, OAS, CI- US

SUBJECT: FOREIGN MINISTER ALMEYDA ON U. S.- CHILEAN RELATIONS

1. SUMMARY: TODAY ALMEYDA URGED OUR EARLY ACTION TO FOLLOW UP WASHINGTON TALKS, LEST US- CHILE DIALOGUE BE OVERTAKEN BY EVENTS. REAL REASON EXECUTIVE WITHDREW URGENCY FROM ITT BILL, HE ASSERTED, WAS TO AVOID FURTHER COMPLICATING RELATIONS WITH U. S. AT THIS TIME. GOC DISTURBED BY SOME ASPECTS OF CHURCH TESTIMONY WITH REGARD TO USG' S ROLE, AND STUDYING THEM. ALMEYDA MAINTAINED THAT GOC REACTION THUS FAR QUITE RESTRAINED. ON 1914 TREATY, FONMIN STATED GOC WAS NOT ABOLUTELY COMMITTED TO PRESENTATION CHILE' S IFI COMPLAINTS IN THAT FORUM. HE SAID GENERAL PRATS AND CHILEAN MILITARY GREATLY DISTURBED BY GENERAL ABRAMS' RECENT VISIT TO BOLIVIA. ALMEYDA SAID HE WOULD PROBABLY LEAVE THE FOREIGN MINISTRY AROUND MAY 25, AND INDICATED PRES. ALLENDE HAD HIM IN MIND FOR ECONOMIC POLICY COORDINATION IN ADDITION TO HIS SOCIALIST PARTY FOREIGN AFFAIRS STEWARDSHIP.

ACTION REQUESTED: I WOULD APPRECIATE INSTRUCTIONS ON ABRAMS LATIN AMERICAN VISIT AND FORTHCOMING " LIMA CONFERENCE" ON OAS RESTRUCTURING.

2. AT THE JAPANESE NATIONAL DAY LAST FRIDAY FONMIN ALMEYDA TOLD ME HE WOULD LIKE TO GET TOGETHER FOR A TALK. FOLLOWING UP ON THIS, I HAD HIM FOR LUNCH TODAY. T TOOK THE OCCASION TO GIVE ALMEYDA THE SECRETARY' S ANNUAL REPORT AND THE SECRETARY' S LETTER (STATE 073787). ALMEYDA SAID HE WOULD READ THE REPORT WITH THE GREATEST OF INTEREST. I ALSO RAISED THE QUESTION OF IRAQI JEWS (STATE 080551).

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3. ALMEYDA TOLD ME HE INTENDS TO REMAIN AS FONMIN UNTIL AFTER THE VISIT IN A FEW DAYS OF THE YUGOSLAV FONMIN - ESSENTIALLY AS A COURTESY TO HIS GUEST. WHETHER HE REMAINS IN OFFICE AFTER THAT TIME WILL DEPEND ON ORLANDO LETELIER'S PLANS. IF LETELIER CAN GET BACK BEFORE ABOUT MAY 25, ALMEYDA WILL NOT ASK THE PRESIDENT TO APPOINT TOHA AS INTERIM MINISTER, BUT IF THE GAP IS LONGER THAN THAT, HE PROBABLY WILL. ALMEYDA TOLD ME HE EXPECTS TO TAKE OVER POLITICAL RESPONSIBILITY IN THE SOCIALIST PARTY FOR FOREIGN AFFAIRS. HE ALSO TOLD ME THE PRESIDENT HAD SUGGESTED HE TAKE OVER (UNDER THE PRESIDENT) OF THE CABINET LEVEL ECONOMIC COUNCIL. I ASKED ALMEYDA IF THIS MEANT HE WOULD BE REPLACING VUSKOVIC IN THIS ROLE AND HE SAID NO, HE THOUGHT THE JOB WAS NOW BEING DONE BY MARTNER. HE INDICATED THAT THE PRESIDENT WANTED HIM TO HAVE BOTH PARTY STANDING AND PERSONAL MINISTERIAL RANK IN THE GOVERNMENT IN ORDER THAT HE BE ABLE TO OPERATE EFFECTIVELY IN BOTH SPHERES. HE ADDED THAT ECONOMIC POLICY WAS CRUCIAL FOR CHILE AT THIS TIME.

4. TURNING TO U. S.- CHILEAN RELATIONS, ALMEYDA URGED ME TO PRESS FOR A DEFINITION OF OUR POSITION WITHOUT EXTENSIVE FURTHER DELAY. HE SAID THAT DELAYS IN RESUMING OUR DIALOGUE WOULD COMPLICATE HIS AND THE CHILEAN GOVERNMENT'S TASK IN SEEKING AN ACCOMMODATION WITH US. HE EXPRESSED SATISFACTION AT HIS MEETING WITH ACTING ASSISTANT SECRETARY CRIMMINS AND ASSISTANT SECRETARY HENNESSY IN WASHINGTON, SAYING HE BELIEVED HE HAD MADE SOME PROGRESS IN CONVINCING US THAT THE CHILEAN POLITICAL AND CONSTITUTIONAL OBSTACLES IN THE WAY OF A BINDING ARBITRAL ARRANGEMENT OR AN IMMEDIATE NEGOTIATED SOLUTION WERE REAL AND SERIOUS - NOT JUST SOME GOC FABRICATION. HE WENT ON TO SAY, HOWEVER, THAT HE REALIZED OUR RESERVATIONS WERE SERIOUS AND DEEPLY FELT. I ACKNOWLEDGED THAT THE SHOE IS NOW ON OUR FOOT AND SAID I BELIEVED WE WERE WORKING TOWARD A DEFINITION OF OUR POSITION AS QUICKLY AS WE COULD.

ALMEYDA RAISED THE 1914 TREATY AVENUE. I NOTED, AS I HAD BEFORE, (SANTIAGO 1364), THAT THE CHILEAN INTIMATIONS THAT THEY WOULD INTRODUCE THE GONZALEZ AMENDMENT, THE U. S. POSITION IN MULTI-LATERAL LENDING INSTITUTIONS AND RELATED ISSUES INTO THE 1914 TREATY MECHANISM ONLY SERVED TO INCREASE OUR MOST SERIOUS RESERVATIONS ABOUT THE UTILITY OF THE TREATY. ALMEYDA RESPONDED THAT WE COULD NEGOTIATE ABOUT THE TERMS OF REFERENCE TO BE PRESENTED TO A 1914 TREATY COMMISSION. HE SAID CHILE WAS NOT YET WEDDED TO A " LINKING
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OF THESE QUESTIONS" AND MIGHT BE PREPARED TO USE OTHER FORUMS - SUCH AS THE UN, OAS OR CONCEIVABLY EVEN THE INTERNATIONAL COURT OF JUSTICE - FOR EXPOSING AND PURSUING ITS VIEWS REGARDING THE INTERNATIONAL LENDING INSTITUTIONS. ALMEYDA MADE CLEAR THAT HE NEITHER ADVOCATED NOR EXPECTED THE CHILEAN GOVERNMENT TO ABANDON ITS PROFOUND CONCERN AT WHAT IT REGARDED AS THE MISUSE OF

MULTI- LATERAL ORGANIZATIONS, BUT HE REITERATED THAT CHILE MIGHT NOT INSIST ON PURSUING ITS REMEDIES IN THE 1914 TREATY CONTEXT. HE CONCLUDED BY SAYING HE WAS NOT IN A POSITION TO MAKE ANY COMMITMENT IN THIS REGARD AT THIS TIME, BUT THE GOC POSITION WAS NOT YET LOCKED IN.

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ACTION SS-25

INFO OCT-01 ADP-00 /026 W
----- 116537
P 042359 Z MAY 73
FM AMEMBASSY SANTIAGO
TO SECSTATE WASHDC PRIORITY 4230

S E C R E T SECTION 2 OF 2 SANTIAGO 1946

EXDIS

5. ALMEYDA RAISED WHAT HE DESCRIBED AS A " LATENT PROBLEM" BETWEEN US. THIS WAS ITT. HE ASSERTED THE CHILEAN GOVERNMENT HAD DONE ITS BEST IN RECENT WEEKS TO AVOID INFLAMING THIS ISSUE - IN SPITE OF CONSIDERABLE OPPORTUNITY, IF NOT PROVOCATION. HE NOTED THAT THE CHILEAN GOVERNMENT HAD WITHDRAWN THE DESIGNATION OF URGENCY ATTACHED TO THE ITT BILL IN THE CONGRESS. HE SAID THIS HAD NOT BEEN EASY NOR WITHOUT POLITICAL COST. NEVERTHELESS THE CHILEAN GOVERNMENT HAD BEEN ABLE TO CITE ITS NEED TO STUDY THE CHURCH DOCUMENTATION AS A JUSTIFICATION. ALMEYDA ADDED THAT THE CHILEAN GOVERNMENT WAS IN FACT ENGAGED IN A DETAILED STUDY OF THAT DOCUMENTATION. HE WENT ON TO ALLEGE THAT THE REAL REASON THAT URGENCY HAD BEEN WITHDRAWN WAS THE DESIRE OF THE CHILEAN GOVERNMENT TO PURSUE ITS CONVERSATIONS WITH US AND TO AVOID, AT LEAST FOR A LITTLE WHILE, THE INTRODUCTION OF THIS NEW AND HIGHLY AGGRAVATING ELEMENT IN OUR RELATIONS. BRINGING THE ITT MATTER TO A HEAD IN THE CHILEAN CONGRESS, HE MAINTAINED, WOULD SURELY COMPLICATE OUR MUTUAL SEARCH FOR A RESOLUTION OF OUR DIFFICULTIES.

6. ALMEYDA WENT ON TO SAY THAT THE EVIDENCE OF CIA INVOLVEMENT IN THE ITT MATTER WAS DEEPLY DISTURBING. IT LEFT THE IMPRESSION OF A KIND OF GOVERNMENT WITHIN THE U. S. GOVERNMENT AND LED TO DOUBTS ABOUT THE LEGITIMATE CONTROLS EXERCISED BY RESPONSIBLE U. S. AUTHORITIES OVER CIA ACTIVITIES. IN THIS CONNECTION ALMEYDA MADE PASSING REFERENCE TO THE BAY OF PIGS.

7. IN RESPONDING TO ALMEYDA, I ASKED HIM IF I WAS RIGHT IN

ASSUMING THAT HIS REFERENCE TO THE CHURCH HEARINGS AND ITT WAS
INTENDED TO BE PRIVATE, WAD WAS NOT INTENDED TO BE A PROTEXT OR

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DEMARCHE. ALMEYDA AFFIRMED THAT MY INTERPRETATION WAS CORRECT,
THAT THE CHILEAN GOVERNMENT HAD ANSWERED INQUIRIES ABOUT THE ITT
MATTER BY SAYING THAT IT WAS UNDER STUDY AND THAT IT HAD NOT
APPROACHED THE U. S. GOVERNMENT REGARDING THE MATTER. THIS
CONTINUED

TO BE THE GOC POSITION. ALMEYDA REPEATED THAT HE WAS RAISING ITT
WITH ME PRIVATELY AS A " LATENT PROBLEM." HE DID WANT ME TO UNDER-
STAND, HOWEVER, THAT IT WOULD BE EXTREMELY USEFUL IF WE COULD MOVE
FORWARD IN OUR DIALOGUE BEFORE OTHER CONSIDERATIONS CROWDED IN TO
RESTRICT AND DISTORT OUR OPPORTUNITIES. LAMEYDA COMMENTED THAT
GOVERNMENTS ALWAYS DID BETTER WHEN THEY WERE ABLE TO MAINTAIN
INITIATIVE, AND NOT SINK INTO A SITUATION WHEN OUTSIDE FACTORS
TAKE CONTROL. AS AN EXAMPLE, ALMEYDA MENTIONED THE MILLAS INITIATIVE
ON LEGALLY EXPANDING THE PUBLIC SECTOR AS A CASE WHERE THE CHILEAN
GOVERNMENT HAD LOST CONTROL AND NOW FOUND THE RESOLUTION OF ITS
PROBLEM GREATLY COMPLICATED.

8. RESPONDING TO THE SUBSTANCE OF ALMEYDA' S OBSERVATIONS ON
THE CHURCH HEARINGS, I REFERRED TO MR. MEYER' S TESTIMONY AND
THE DISTINCTION HE HAD MADE BETWEEN POLICY AND CONVERSATION. I
POINTED OUT THAT THE IDEAS PRESENTED BY MR. BROE HAD DIED AT HIS
MEETING WITH MR. GENEEN, APPARENTLY BECAUSE OF MR. GENEEN' S
REACTION, BUT IN ANY CASE THEY HAD NOT BECOME EITHER ACTION OR
POLICY - AS MR. MEYER HAD MADE CLEAR. ALMEYDA ACKNOWLEDGED THAT
THIS WAS SO, BUT ADDED THAT THERE WERE " TWO OR THREE POINTS RAISED
BY THE CHURCH TESTIMONY" WHICH WERE DISTURBING AND UNDER STUDY.

9. REGARDING CUBA, ALMEYDA PROFESSED TO SEE A SHIFT FOR THE
BETTER IN CASTRO' S MAY DAY SPEECH. HE REFERRED TO CASTRO' S
REFERENCE TO " PLURALISM" AND HIS " MORE FLEXIBLE REFERENCES TO
HEMISPHERIC RELATIONSHIPS". ALMEYDA CLAIMED CASTRO WAS MOVING
TOWARD THE CHILEAN POSITION. ALMEYDA MENTIONED OUR PRESIDENT' S
REPORT, AND ITS REFERENCES TO CUBA. HE EXPRESSED DISAPPOINTMENT
THAT WE DID NOT APPEAR TO BE RESPONDING TO THE CHANGES IN CUBA' S
POSTURE, AND SAID HE THOUGHT WE WOULD FIND OURSELVES MORE AND
MORE OUT OF STEP WITH PREVAILING HEMISPHERIC OPINION IF WE
REMAINED ENTIRELY UNRESPONSIVE. I REMARKED THAT PRESIDENT NIXON' S
REPORT HAD BEEN PREPARED BEFORE MAY DAY, BUT NO DOUBT REPRESENTED
THE PRESIDENT' S VIEW IN ANY CASE.

10. ALMEYDA THEN REMARKED THAT GENERAL PRATS WAS TRAVELLING
TO WASHINGTON " WITH A THORN IN HIS SIDE." THIS WAS THE CHILEAN
GOVERNMENT' S KNOWLEDGE OF GENERAL ABRMAS' LITTLE- PUBLICIZED TRIP

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TO LA PAZ SEVERAL WEEKS AGO. THE GOC IS DEEPLY CONCERNED AT BOLIVIAN IRREDENTIST ATTITUDES, ITS HOSPITALITY TO SUCH PERSONS AS EX- MAJOR ARTURO MARSHALL, AND ITS CONTINUED AGITATION ON THE TERRITORIAL QUESTION. I TOLD ALMEYDA THAT I THOUGHT I COULD SAY WITH CONFIDENCE THAT THE USG HAS NO INTEREST IN STIRRING UP LATIN AMERICAN TERRITORIAL DISPUTES FOR ULTERIOR MOTIVES. WE WOULD NOT BE SO FOOLISH. THE WHOLE HISTORY OF OUR ACTIONS IN THE HEMISPHERE IN RECENT TIMES POINTS IN THE OPPOSITE DIRECTION. ALMEYDA SAID HE WAS PREPARED TO BELIEVE THIS, BUT CHILEAN MILITARY ATTITUDES ON THESE MATTERS RAN DEEP.

11. ALMEYDA THEN RAISED WHAT HE DESCRIBED AS " THE FORTHCOMING LIMA CONFERENCE" TO FOLLOW UP THE RECENT WASHINGTON OAS DISCUSSION ON RESTRUCTURING INTER- AMERICAN INSTITUTIONS. HE SAID THAT THE HOUR WAS GETTING LATE FOR US TO ENTER INTO A DISCUSSION OF THIS QUESTION AT THIS LUNCH, BUT HE WOULD LIKE TO TALK ABOUT IT BEFORE LEAVING OFFICE. I SAID I WOULD SEEK GUIDANCE IN THIS REGARD.

12. ACTION REQUEST: IF THERE IS ANYTHING I MIGHT USEFULLY SAY TO ALMEYDA ABOUT GENERAL ABRAMS' RECENT TRIP TO LATIN AMERICA I WOULD APPRECIATE ADVICE. I WOULD ALSO APPRECIATE SOME BACKGROUND AND INSTRUCTION ON HOW TO HANDLE ALMEYDA' S APPROACH ON THE FORTHCOMING " LIMA CONFERENCE." DAVIS

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